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IN THE

Supreme Court of the United States

OCTOBER TERM, 1949.

No. 294

S. C. JOHNSON & SON, INC.,

Petitioner,

vs.

JOHN W. JOHNSON, RUPERT H. JOHNSON, JOHN D. FREEMAN, ROLAND H. BOARDMAN AND HENRY J. STONE, DOING BUSINESS AS JOHNSON PRODUCTS COMPANY,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE COURT OF APPEALS FOR THE SECOND CIRCUIT AND BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

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Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE COURT OF APPEALS FOR THE SECOND CIRCUIT.

To the Honorable, the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioner, S. C. Johnson & Son, Inc., plaintiff in the District Court, appellant below, respectfully prays that a writ of certiorari issue to the United States Court of Appeals for the Second Circuit to review a judgment of that Court entered on June 2, 1949.

The judgment here sought to be reviewed affirmed a judgment of the United States District Court for the Western District of New York (Judge Knight presiding) in favor of the respondents.

The opinion of the Court of Appeals, reported in 175 F. (2d) 176, appears at page 49 of the record and as an appendix to this petition. The opinion of the District Court reported in 8 F. R. D. 217 appears at page 24 of the record.

I.

Jurisdiction.

(a) The jurisdiction of this Court is based upon Section 1254 of the Judicial Code (28 U. S. C. Sec. 1254);

(b) The issue involves the construction of the Federal Rules of Civil Procedure; and

(c) The issue involves the construction of the Remedial Section (15 U. S. C. A. 1114) of the Federal Trade-Mark Act of July 5, 1946 (15 U. S. C. A. 1051-1127).

II.

Statement of the Matters Involved.

The original proceeding was an action for trade-mark infringement and unfair competition commenced in 1935 by S. C. Johnson & Son, Inc., against John W. Johnson, who was then the sole owner of respondents' business, for using the name JOHNSON'S as a trade-mark for a household cleaner. The action was based upon the ground that the name JOHNSON'S as used by respondent was an infringement of petitioner's federally registered trade-mark JOHNSON'S for household wax polishes, cleaning and polishing waxes, and kindred products, and upon the further ground that respondent's use of the name JOHNSON'S constituted unfair competition with the petitioner.

The District Court for the Western District of New York, in 1940 issued an absolute injunction against the use of the name JOHNSON'S as a trade-mark for a household cleaner by respondent, John W. Johnson (28 F. Supp.

744). In 1941, the Court of Appeals for the Second Circuit held that the goods of the parties were not of the same descriptive properties, and, by mandate, modified the decree of the District Court but directed the District Court to enjoin John W. Johnson, his agents, servants, and employees from:

> "1. Selling or offering for sale, directly or indirectly, his household cleaner on which the name 'Johnson's' appears as part of the title or name of the product on the label or packaging unless he uses the words 'Johnson's Cleaner' as a single phrase and adds in immediate juxtaposition thereto the legend 'made by Johnson Products Company, Buffalo, N. Y.' in type equally large and conspicuous; and from copying the plaintiff's trade-mark, 'Johnson's', by using it without the aforesaid legend, and from otherwise infringing the plaintiff's trade-mark and competing unfairly with the plaintiff.
>
> "2. Authorizing either actually or impliedly, any agents, demonstrators, salesmen or dealers, from representing to any buyer, retailer or consumer that the goods manufactured, sold or advertised by the said defendant emanate from or are in any way connected with plaintiff, and from causing others in any way to make such oral or written representations." (fols 119-120.)

Respondent, John W. Johnson, after entry of the above order, continued to use the name JOHNSON'S as a trade-mark, and displayed upon his labels the legend, "Made by Johnson Products Company, Buffalo, N. Y." (Label reproduced in record on page 9).

On July 5, 1947, a new federal trade-mark law became effective, under the terms of which the statutory test of infringement of a federally registered trade-mark was changed. Under the old statute, the test for trade-mark infringement was use of the registered trade-mark or a colorable imitation of it on goods of substantially the same descriptive properties as those set out in the registration.

Under the new law, the test is use of the registered mark or a colorable imitation of it on any goods in connection with which such use is likely to cause confusion, mistake, or deception of purchasers as to source of origin.

In 1948, petitioner filed a motion in the District Court for the Western District of New York for leave to serve upon the respondents a supplemental complaint under Rule 15(d)[1] of the Federal Rules of Civil Procedure. The supplemental complaint alleged that, notwithstanding the legend on respondents' label, "Made by Johnson Products Company, Buffalo, N. Y.", the public and dealers still attributed respondents' product to the petitioner. The motion to file and serve the supplemental complaint was based on two grounds:

(1) That the injunction was ineffectual in preventing confusion as to source of origin of respondents' goods; and

(2) That, under the new trade-mark statute, the petitioner was entitled to relief which will prevent confusion of source of origin of respondents' goods.

The supplemental complaint sought modification of the injunction issued pursuant to the mandate of the Court of Appeals in 1941.

On August 19, 1948, the District Court denied petitioner's motion and held that the application for leave to serve such a complaint should have been filed in the Appellate Court. The Court of Appeals, in a divided opinion, affirmed the District Court's denial of the motion.

The Court of Appeals affirmed the summary dismissal of the tendered complaint without permitting evidence to

1. (d) SUPPLEMENTAL PLEADINGS. Upon motion of a party the court may, upon reasonable notice and upon such terms as are just, permit him to serve a supplemental pleading setting forth transactions or occurrences or events which have happened since the date of the pleading sought to be supplemented. If the court deems it advisable that the adverse party plead thereto, it shall so order, specifying the time therefor.

be offered and without requiring that issues be joined. The opinion discussed and decided the merits of the supplemental complaint, devoting most of the discussion to the Remedial Section (15 U. S. C. 1114) of the Trade-Mark Act of 1946.[1] In its decision on "the merits", the majority opinion held that this section, which prescribes the test for trade-mark infringement as likelihood of confusion as to source of origin of the infringer's goods, does not mean what it says.

III.

The Questions Presented.

1. Do the Federal Rules of Civil Procedure require permission of an Appellate Court to serve a supplemental complaint, when the complaint seeks modification of an injunction for ineffectiveness of relief granted, and is further based upon transactions or occurrences which have happened since the entry of the injunction?

2. Does the Remedial Section (Sec. 32(1)) of the Trade-Mark Act of 1946 mean what it says?

IV.

Reasons for Granting the Writ.

1. The decisions of the Courts below constitute a misinterpretation of the Federal Rules of Civil Procedure in cases where modification of an injunction is sought because of ineffectiveness of relief granted and changed conditions and circumstances.

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1. "Sec. 32(1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services * * * shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided * * *."

2. In its discussion of and decision on "the merits" of the proposed evidence, the Court of Appeals has ruled on "the merits" without the benefit of such evidence, and without argument or submission of briefs.

3. The Court of Appeals has held that certain language of the new Trade-Mark Act, which is clear, precise and unequivocal in its terms, should not be construed in those terms.

The decision of the court below, if allowed to stand, will become a precedent for requiring the approval of Courts of Appeals for filing supplemental actions to modify injunctions in conflict with the decision of this Court in *U. S.* v. *Swift & Company*, 286 U. S. 106.

The decision of the court below, if allowed to stand, will narrow the scope of protection for federally registered trade-marks, in conflict with the express intent of Congress to broaden such protection, as is made manifest in the legislative history and context of the Trade-Mark Act of 1946 (15 U. S. C. A. 1051, *et seq.*).

The decision of the court below, if allowed to stand, will reduce the law of trade-mark infringement to a plausible but ineffective theory, and will become a precedent for court sanction of confusion and deception of the public in conflict with the applicable decisions of this court, in conflict with the overwhelming weight of authority, and in conflict with the express intent of Congress.

Because of the sharp divergence between the majority decision of the court below and the other authorities as to:

(1) the procedural question raised;
(2) the extent of protection afforded a federally registered trade-mark under the statute; and
(3) the construction of the test for trade-mark infringement as prescribed by the new statute not heretofore considered by the Court,

the subject matter of this petition is of public, economic and industrial importance.

This is not merely a private controversy between the parties to this action. It involves not only the construction of the Federal Rules of Civil Procedure, but the all important question as to what is the proper test for determining infringement of a federally registered trade-mark. Is infringement still to be determined, as held by the majority opinion of the Court of Appeals for the Second Circuit, on the basis of whether the goods involved are of "substantially the same descriptive properties," which was the test under the repealed 1905 Trade-Mark Act, or is infringement to be determined by the test prescribed by the Trade-Mark Act of 1946; namely, "likelihood of confusion, mistake and deception of purchasers" as to the source of origin of the goods upon which the infringing mark is used?

WHEREFORE, your petitioner prays that a writ of certiorari issue to review the decision of the Court of Appeals for the Second Circuit in this action.

Respectfully submitted,

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BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

I.

The Opinion Below.

The United States Court of Appeals for the Second Circuit entered judgment on June 2, 1949. The opinion is reported in 175 F. (2d) 176, and appears as an appendix to this brief.

II.

Jurisdiction.

The petition sets forth at page 2 a statement of the grounds upon which the jurisdiction of this Court is invoked.

III.

Statement of the Case.

The petition sets forth, beginning at page 2, the statement of the case and the questions presented.

IV.

Specification of Errors.

The petition, beginning at page 5, states the errors relied upon (Reasons for Granting the Writ) which will be discussed in this brief.

V.

Argument.

In this case a motion for leave to file and serve a supplemental complaint was filed by petitioner in the Western District of New York. A copy of the tendered complaint was attached to the motion. The complaint was in the nature of an independent action (or petition to modify an injunction) based on ineffectiveness of the decree and on occurrences since the entry of the injunction, namely the enactment of a new Federal Trade Mark Statute and the continuance of consumer confusion between the goods of the parties. The motion for leave to file and serve the complaint was denied.

The District Court held:

(1) That application for leave to file and serve the complaint should have been made to the Appellate Court;

(2) That it was believed that the *proposed* evidence was in confiict with the decision of the District Court; and

(3) That petitioner was guilty of laches.

The trial court entered an order denying the motion and dismissing with prejudice the proposed complaint (Record, pp. 22-23). The order was affirmed, in a divided opinion, by the Court of Appeals for the Second Circuit, 175 F. (2d) 176.

(1) The Courts Below Erred in Denying Petitioner's Motion for Leave to Serve Its Complaint.

The District Court held that the application to file and serve the supplemental complaint should have been made to the Court of Appeals, and entered an order denying the

motion. The order was affirmed by the majority opinion of the Court of Appeals for the Second Circuit.

The majority opinion said:

> "* * * it is not necessary to decide whether it was necessary as a preliminary for him to ask leave of this court because of our decision on the former appeal."

The dissenting opinion of Judge Clark stated:

> "I must also express a word of concern about a point of practice, suggested somewhat indirectly in the (majority) opinion, that there may be some need of permission from this court for the filing of the new application by the plaintiff. Under the clear-cut provisions of the Federal Rules there seems to me such a complete absence of place for any such restriction that I regret the judicial doubt thus imported into an otherwise clear situation."

The denial of the motion for leave to serve the complaint to modify the original decree constitutes an erroneous interpretation of the Federal Rules of Civil Procedure and is in conflict with the decisions of this Court and decisions of other Courts of Appeals.

A continuing injunctive decree is subject to modification at any time in adaptation to changed conditions and circumstances. In *U. S.* v. *Swift & Company*, 286 U. S. 106, Mr. Justice Cardozo said at page 114:

> "We are not doubtful of the power of a court of equity to modify an injunction in adaptation to changed conditions though it was entered by consent. * * * Power to modify the decree was reserved by its very terms, and so from the beginning went hand in hand with its restraints. If the reservation had been omitted, power there still would be by force of principles inherent in the jurisdiction of the chancery. A continuing decree of injunction directed to events to come is subject always to adaptation as events may shape the need. * * * The result is all one whether the decree has

> been entered after litigation or by consent. * * * In either event, a court does not abdicate its power to revoke or modify its mandate if satisfied that what it has been doing has been turned through changing circumstances into an instrument of wrong."

A District Court may entertain a supplemental complaint in the nature of a petition to modify an injunction on the basis of the happening of events since the entry of the injunction even though many years have elapsed. (*The Coca-Cola Company* v. *Standard Bottling Co.*, 138 F. (2d) 788, C. C. A. 10.)

Notwithstanding the above authority to the effect that courts should modify injunctions when justice requires, the courts below refused to permit the petitioner to file its supplemental complaint and produce testimony to show that the relief which had previously been granted to the petitioner was wholly inadequate, since confusion, deception, and mistake on the part of the public continued despite the ineffectual legend on respondents' label, "Made by Johnson Products Company, Buffalo, N. Y."

The Federal Rules of Civil Procedure should be uniformly applied by the Federal Courts, and here there has been raised an important procedural question which can be answered only by this Court. In the words of Judge Clark in his dissenting opinion in this case:

> "Whatever may be the law, we cannot be very happy at a decree which, on the plaintiff's allegations, has proven completely stultifying in that it takes away with one breath what it appears to grant by way of relief in another. Summary disposition of the case is a repudiation of any attempt to find a real or workable remedy for an adjudicated wrong."
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> • • • • •
>
> "I would reverse and remand for a hearing of the parties' evidence."

If, as petitioner contends, the existing injunction is in-

adequate to protect the public against confusion, mistake or deception, and if the existing injunction is not in compliance with present statutory law, petitioner should have been allowed, as the minority opinion held, to introduce proofs and have the court act thereon.

(2) The Court Erred in Holding that Section 32(1) of the Trade-Mark Act of 1946 Should Not Be Enforced As It Reads.

A new trade-mark statute (15 U. S. C. A. 1051-1127) became effective on July 5, 1947. The statute did not amend the existing law, but instead expressly repealed it and all previous statutes (Section 46(a)).

The remedial provision of the Act of 1905, provided in Section 16 (15 U. S. C. A. 96):

> "* * * Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same *to merchandise of substantially the same descriptive properties* as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of *merchandise of substantially the same descriptive properties* as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation * * * shall be liable to an action for damages therefor at the suit of the owner thereof; * * *." (Emphasis ours.)

The remedial provision of the Act of 1946 provides in Section 32(1) (15 U. S. C. A. 1114):

> "Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of *any goods or services on or in connection with which such use is likely to cause*

confusion or mistake or to deceive purchasers as to the source of origin of such goods or services * * * shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided. * * *." (Emphasis ours.)

Under the Act of 1905, the test of infringement was *use of a reproduction, counterfeit, copy, or colorable imitation of a registered mark on merchandise of substantially the same descriptive properties.*

Under the Act of 1946, the test of infringement is *use of a reproduction, counterfeit, copy, or colorable imitation on any goods or services in connection with which use is likely to cause confusion, mistake, or deception of purchasers as to source of origin of such goods or services.*

The Court of Appeals said of this:

> "Clearly a change, and a most substantial change, was intended, and the question is what that was."

The trial court stated:

> "It is true that the (prior) opinion of the Appellate Court was based upon the fact that the plaintiff and the defendant were not putting out identical goods."

Petitioner's products are household wax polishes, cleaning and polishing waxes and kindred products. Respondents' product is a household cleaner. Both trade-marks are JOHNSON's. In the original action, the Court of Appeals held that the products of the parties were not "goods of substantially the same descriptive properties" and accordingly amended the lower court's absolute injunction.

Congress has now changed the law so that it matters not what the goods are if the use of the colorable imitation is *"likely to cause confusion, mistake or deception of purchasers as to the source of origin of the goods."*

The Court of Appeals, in its original opinion, did cir-

cumscribe somewhat the respondents' use of JOHNSON's as a trade-mark, but confusion has continued. In fact, the Court in the present case said:

> "* * * we hold that it was irrelevant under the Act of 1905 that the suffix has not prevented all mistake and confusion. Upon this we have nothing to add to what we said before, when we very deliberately assumed that the public might still be confused after the prescribed change had been made."

In its discussion of "the merits" the Court of Appeals dealt again with the nature of the goods of the parties, and took the position that confusion of origin is not enough to entitle a registrant to relief. It said:

> "* * * it is far from true that the mere fact of confusion between the two (trade-mark) users should always and of itself tip the scales in favor of the first.
>
> * * * * *
>
> "If Congress really meant to allow every first user of a mark so to stifle all excursions into adjacent markets upon showing no more than that confusion would result, it seems to us that it would have said so more clearly."

How could Congress have spoken more clearly? It directed that a registrant shall be entitled to relief against use of a colorable imitation of his trade-mark which is likely to cause confusion as to the source of origin of the goods in connection with which it is used. The language is clear, precise and unequivocal. Congress did not even require proof of actual confusion of origin, but has prescribed that only likelihood of such confusion is sufficient.

House Committee Report No. 944, 76th Congress, 1st Session, in reporting favorably on the then pending trade-mark bill (H. R. 6618), a predecessor of the new Act, said on page 3:

"To protect trade-marks, *i. e.*, marks which permit the goods of different makers to be distinguished from each other, is to promote competition and is sound public policy.

"The protection which is accorded is *security against misrepresentation as to the origin of goods,* by suppressing imitations which are calculated to mislead buyers into the belief that the goods of one maker are those of another. (Emphasis ours.)

* * * * *

"To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not. This is the end to which this bill is directed."

Senate Committee Report No. 1562, 76th Congress, 3rd Session, in reporting favorably the same bill, said:

"No easy summary of the several provisions of this bill can be submitted, but the object sought to be accomplished lies in the collection and revamping of the scattered statutes dealing with trade-marks. The public interest is two-fold: First, protection from deceit, in achieving a substantially uniform practice by which a mark attaching to an article of commerce may identify such article *as to source* or quality or type; thus, the public desiring that article, and having become familiar with the trade-mark identifying it, may seek to purchase and purchase an article so identified. The second objective of the public interest, then, lies in protection of the owner of a mark in trade to which value has attached so that through proper registration and under the protection of the law the owner of the trade-mark may safely *extend its use,* build his commercial goodwill upon it, and advertise the qualities of his product to which the mark attaches, secure from unfair competition, either by infringement or deceit." (Emphasis ours.)

House Committee Report No. 219, 79th Congress, 1st Session, and Senate Committee Report No. 1333, 79th Congress, 2nd Session, in favorably reporting H. R. 1654, which became the Trade-Mark Law of 1946, stated:

> "The purpose underlying any trade-mark statute is two-fold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and trade-mark owner
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> • • • • •
>
> "Your Committee believes the proposed bill accomplishes these two broad basic principles."

These quotations from the legislative history of the Trade-Mark Act of 1946 establish conclusively that:

(1) Congress intended to broaden the protection of registered trade-marks;

(2) Congress intended to protect both the public and the trade-mark owner; and

(3) Congress intended to secure protection against misrepresentation as to the origin of goods, *i. e.*, by suppressing imitations which are calculated to mislead buyers into the belief that the goods of one person are those of another, even though the goods do not meet the test of the repealed 1905 Act and are not of the same descriptive properties.

The minority opinion in the present case stated:

> "In its affirmance of the summary dismissal of the plaintiff's application the court has taken a long step in the interpretation and limitation of the new Lanham Trade-Mark Act; in effect it has cut this Act so

extensively heralded by sponsoring groups down to a size consistent with the court's conceptions of public policy. While I regard these conceptions highly, I am troubled by the fact that the Act is rather clearly the expression of contrary views vigorously held by persons and groups who were able to exercise a persuasive influence in the halls of Congress during its long period of germination. That other interests, those of consumers, for example, may have been more imperfectly represented there does not seem to me to lessen our problem, for we must take the legislative process as we find it, not as we wish it might be. The question seems to me, therefore, a vastly important one as to the relations of court and legislature; and I am indeed sorry that it is left with only a statement of the court's policy views as full justification for the narrowing interpretation.

* * * * *

"As is pointed out, the Lanham Act certainly made extensive and far-reaching changes in the law of trademarks as a whole, some of which are cited. In this particular connection it substituted for the definitely restrictive language of the older Act limiting infringing sales to those of goods which were 'substantially of the same descriptive properties as those set forth in the registration' a broad recovery for a use 'likely to cause confusion or mistake or to deceive purchasers as to the source or origin of such goods or services.' 15 U. S. C. A., Section 1114(1). These broadening provisions, twice stated in this subsection, seem quite consistently carried out through the Act. Having in mind the well-known intent of the sponsors to broaden trade-mark protection, they would seem to point strongly to a definite plan to grant recovery wherever a mark is 'intended to be used to cause confusion or mistake or to deceive purchasers,' to quote the concluding words of the subsection. In fact, it appears to be substantially conceded that the literal reading is that way; but it is held that this reading must be rejected * * *."

The Court of Appeals of the Second Circuit, having "deliberately assumed" that the public might continue to be confused after entry of its original mandate in this case, now has deliberately assumed that Congress did not mean what it specifically said, namely, that if confusion of origin is likely to result from use of the infringing mark, the registrant is entitled to relief.

Confusion of source of origin—that is, confusion as to the maker of the product sold under the infringing mark—was not the test in the original action. There the test was: is the contested mark used on goods of substantially the same descriptive properties? The test is now: is its use likely to cause confusion of purchasers as to source of origin of the goods on which it is used?

The original decision was based on the finding that the goods were not of substantially the same descriptive properties. There was no question as to colorable imitation, since both marks were and are JOHNSON'S. Under the new law the sole question was whether the use of the mark is likely to cause confusion of purchasers as to source of origin. The majority opinion arbitrarily held, in effect, that even if proof of confusion of source of origin were before it, no relief would be forthcoming. The majority opinion said:

> "* * * there is the strongest possible reason for not reading the language literally, because to do so would frequently result in great hardship to others * * *."

In attempting to explain away the effect of the change in statutory language, it stated:

> "* * * in 1946 it was at best most uncertain whether the Act of 1905 went beyond the law of unfair competition in 1905. It is quite enough to explain the change of diction in the Lanham Act that Congress wishes to do no more than clear up this doubt—if indeed it was not more than a doubt—and make the protection of the new right coextensive with the law of unfair competition as it was in 1946, just as

the Act of 1905 had made it coextensive with the law of 1905."

It may have seemed "quite enough" to the majority of the court so to explain the change and by such explanation to nullify the effect of Congressional action. But the court did not mention the long legislative history of the Lanham Act, nor did it refer, in support of its conclusion, to a single statement in the voluminous hearings held during the eight years' pendency of the legislation. It is enough to explain the absence of such reference, that nothing can be found in the hearings or the Congressional Committee Reports to support the court's statement.

The minority opinion stated:

> "Moreover, this assumes what is set out to be proven and what is contrary to the professed desire of the protagonists, namely, that the Act was intended only as declaratory of existing law."

Turning again to the legislative history, we find in the Committee Reports[1] the following:

> "The bill attempts to accomplish these various things:
>
> • • • • •
>
> 3. To modernize the trade-mark statutes so that they will conform to legitimate present-day business practice.
>
> 4. To remedy constructions of the present acts which have in several instances obscured and perverted their original purpose. *These constructions have become so ingrained that the only way to change them is by legislation.* (Emphasis ours.)
>
> 5. Generally to simplify trade-mark practice, to secure trade-mark owners in the good will which they have built up and *to protect the public from imposi-*

1. House Report No. 2283, 77th Congress, 2nd Session; House Report No. 603, 78th Congress, 1st Session; House Report No. 219, 79th Congress, 1st Session; Senate Report No. 1333, 79th Congress, 2nd Session.

tion by the use of counterfeit and imitated marks and false trade descriptions." (Emphasis ours.)

The foregoing statements demonstrate conclusively that there was no intention on the part of Congress to make the Act coextensive with the law of unfair competition as it was in 1946, but rather that the intention was to extend the law beyond the judicial decisions then existing. As Judge Clark said in the minority opinion:

> "But unfortunately there does not appear to be a quite clear law of 1946, as I fear those who have struggled with our decisions such as *Triangle Publications* v. *Rohrich*, 2 Cir., 167 F. (2d) 969, compared with *Best & Co.* v. *Miller*, 2 Cir., 167 F. (2d) 374, certiorari denied, 335 U. S. 818, will understand."

Congress, it seems, clearly intended to modernize the law to make it conform to present-day business necessity; to eliminate judicial obscurity and conflict; and to abrogate, by legislation, such constructions of the prior Acts as have emasculated and perverted their original purpose.

In its interpretation of Section 32(1) of the Trade-Mark Act of 1946, the majority opinion of the court unreservedly reads into the section language which is not there, and makes a distinction between the relief afforded to "fabricated marks which have no significance" and surname marks. The Section reads:

> "Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of *any registered mark* * * * etc." (Emphasis ours.)

Petitioner's mark JOHNSON'S is a federally registered trade-mark. It is being used without the consent of the registrant by a collection of five individuals, two of whose names are JOHNSON. Under the express terms of the Act, if such use is likely to cause confusion, mistake or deception of purchasers as to the source of origin of the product

in connection with which it is used, petitioner is entitled to relief. This is true without regard to the question of whether the mark is purely fanciful such as "X Y Z" or a surname mark such as "Johnson's." The statute makes no distinction between the protection afforded federally registered fanciful trade-marks and federally registered surname trade-marks. Congress clearly intended to put an end to confusion of purchasers as to origin of goods, irrespective of the type of mark.

In 1928, Judge Learned Hand, in a case[1] enjoining the surname YALE, said:

> "* * * it has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner's reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask."

In 1949, after the Congress had broadened protection of registered marks, Judge Hand, in the present case involving the surname JOHNSON'S said:

> "True, nobody likes to have his reputation subject to the hazards of another's conduct; but there is no suggestion that in fact the defendants have tarnished the plaintiff's name in the minds of those who may think they are buying its goods. Again, although the plaintiff may at some future time wish to make cleaning fluids, it does not now even intimate such a purpose. We cannot conceive any justification in these circumstances for allowing it to reach a choking hand into a market not its own, and to deprive the

1. *Yale Electric Corp.* v. *Robertson*, 26 F. (2d) 972, 974.

> defendants of an interest, natural and proper in its origin, and after sixteen years presumably an important element in their business."

What is meant by "natural and proper in its origin" is not explained. Apparently the court assumed that there is an "inalienable right" to use one's own name as a trade mark in his business. By such reasoning a newcomer by the name of Ford could go into the automobile business and legitimately use the name "Ford" as a trade mark for his cars. It is true that one may use his own name fairly and honestly in his business. He may not use it, however, to steal the good will of a neighbor's business, or to commit fraud upon the public.[1] If he uses it in a manner to create confusion between his business and that of another longer established business, the courts will intervene.[2]

Confusion having resulted in the present case, the respondent's use of the name JOHNSON's as a trade-mark was not "proper in its origin."

Judge Clark, in his dissenting opinion, said as to the confusion existing in this case:

> "Thus, in accepting the finding below of confusion among the plaintiff's customers caused by the defendant's use of the name we said: 'We should have so found ourselves; and indeed the testimony leaves no doubt that, while he did not actively instigate his employees to mislead customers, the defendant instructed them not to undeceive any who were already misled and to take advantage of their confusion'." 116 F. 2d 427, 429.

Be that as it may, how can the conclusions of Judge Hand be reconciled? In the *Yale* case, the plaintiff's product was locks, and defendant's was flashlights. In the *Johnson's* case, plaintiff's products are wax polishes,

1. *DeNobili* v. *Nobile*, 56 F. (2d) 324.
2. *Brooks Brothers* v. *Brooks*, 60 Fed. Supp. 442.

cleaning and polishing waxes and kindred products, and defendant's is a household cleaner. The original case was decided under the restrictive language of the 1905 Act—use of the infringing mark on "merchandise of substantially the same descriptive properties," as those of the registrant. The latter decision was decided under the broad provisions of the 1946 Act—use on "any goods * * * likely to cause confusion, mistake or to deceive purchasers as to the source of origin of such goods."

Section 46(b) of the Trade Mark Act of 1946 provides that registrants under the earlier Act are entitled to the benefits of the new Act.

The respondents herein have, as Judge Learned Hand said in *Yale Electric Corp.* v. *Robertson*, 26 Fed. (2d) 972, 974, "borrowed the owner's reputation, whose quality no longer lies within his own control. This is an injury even though the borrower does not tarnish it or divert any sales by its use; * * *."

As the minority opinion in this case states:

> "This is not a monopoly of a natural product or of an invention, but of a name or mark built up by judicious advertising. The question is insistently asked why in that case it is necessary to permit another to reap the rewards of the diligence and money expended by the original exploiter. Here, for example, it is urged, as any devotee of the radio knows, that one of the most famous and presumably one of the most expensive of the popular evening radio hours has for years advertised the plaintiff's products. Yoder, *'The McGees of Wistful Vista,'* 222 Sat. Eve. Post No. 41, pp. 26, 86, 87, Apr. 9, 1949. One can have little doubt that, as the plaintiff offers to prove, the original defendant, who has already associated with himself four others, one a Johnson, the three others non-Johnsons, is reaping the benefit of the plaintiff's advertising of its own products. * * *."

(3) The Decision in This Case Is Not Only in Conflict With the Express Language of a Congressional Statute, But Is in Conflict With the Decisions of This Court and Those of Other Circuits.

The decision of the court below is in conflict with Congressional purpose and intent[1] and with the express language of the Trade-Mark Act of 1946 concerning the test for infringement; *i.e.*, confusion as to source of origin.

The decision of the court below is in conflict with

U. S. v. *Swift & Co.*, 286 U. S. 106.
Dugas v. *American Surety Co.*, 300 U. S. 414.
The Coca-Cola Company v. *Standard Bottling Co.*, 138 F. (2d) 788.

as to the right and duty of a court to modify its judgments in adaptation to changed circumstances, and to effectuate its prior decree.

The decision of the court below is in conflict with:

Aunt Jemima v. *Rigney*, 247 Fed. 407.
E. Z. Waist Co. v. *Reliance Mfg. Co.*, 286 Fed. 461.
Vogue v. *Thompson-Hudson Co.*, 300 Fed. 509.
Wall v. *Rolls-Royce*, 4 F. (2d) 333.
Great Atlantic & Pacific Tea Co. v. *A. & P. Radio Stores*, 20 Fed. Supp. 703.
Yale Electric Corp. v. *Robertson*, 26 F. (2d) 972.
L. E. Waterman Co. v. *Gordon*, 72 F. (2d) 272.
Restatement of the Law of Torts, Secs. 730, 731.
Hanson v. *Triangle Publications*, 163 F. (2d) 74.
Stork Restaurant v. *Sahati*, 166 F. (2d) 348.
Safeway Stores v. *Dunnell*, 172 F. (2d) 649.

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1. House Report No. 944, 76th Congress, 1st Session; Senate Report No. 1562, 76th Congress, 3rd Session; House Report No. 219, 79th Congress, 1st Session; Senate Report No. 1333, 79th Congress, 2nd Session; House Report No. 2283, 77th Congress, 2nd Session; House Report No. 603, 78th Congress, 1st Session.

Calif. Fruit Growers v. *Sunkist Baking Co.*, 166 F. (2d) 971.

as to the granting of relief on the basis of confusion of source of origin, irrespective of the goods.

The decision of the court below is in conflict with

Thaddeus Davids Co. v. *Davids Mfg. Co.*, 233 U. S. 461.

Yale Electric Corp. v. *Robertson*, 26 F. (2d) 972.

L. E. Waterman v. *Gordon*, 72 F. (2d) 272.

as to the protection afforded federally registered surname trade marks.

In *Thaddeus Davids Company* v. *Davids Manufacturing Company*, 233 U. S. 461, this Court held that the trade-mark statute should be followed in a statutory trade-mark action, reversing the Court of Appeals for the Second Circuit (192 Fed. 915) and affirming the Circuit Court S. D. N. Y. (190 Fed. 285), which enjoined Cortlandt I. Davids and Walter I. Davids from using the name DAVIDS as a trade-mark for ink. Mr. Justice Hughes said at page 471:

> "The distinction between permissible and prohibited uses may be a difficult one to draw in particular cases, but it must be drawn in order to give effect to the act of Congress. That the distinction may readily be observed in practice is apparent. In this case, for instance, if the defendants had so chosen, they could have adopted a distinct mark of their own, which would have served to designate their inks and completely to distinguish them from those of the complainant."

The decision of the court below is in conflict with

Stork Restaurant v. *Sahati*, 166 F. (2d) 348.

Calif. Fruit Growers v. *Sunkist Baking Co.*, 166 F. (2d) 971.

Safeway Stores v. *Dunnell*, 172 F. (2d) 649, (certiorari denied).

as to the construction of the remedial section (Sec. 32(1)) of the Trade-Mark Act of 1946.

Julius R. Lunsford, Jr., in his article entitled, "Trademark Infringement and Confusion of Source: Need for Supreme Court Action", 35 Va. Law Rev. 1949, comments at page 233 upon the urgency for the clarification by this Court of the measuring stick to be applied in trade-mark infringement cases:

> "The assurance of legal redress for infringement and an end of confusion among the various courts on this subject seems to remain a hope rather than a reality, despite congressional intent, unless the Court opens its doors to review the troublesome cases confronting owners of trademarks."

Conclusion.

The Court of Appeals for the Second Circuit, in a divided opinion, has ruled on an important question of Federal law which has not been, but should be, settled by this Court. Fundamental conflict exists between the avowed Congressional intent and the decision of the lower court as to the construction of the remedial section of the new trade-mark act. It is of the utmost importance that the Supreme Court settle the question.

The conflicts presented by this petition are of broad public consequence. They are not restricted merely to the rights of private parties. Under the doctrine enunciated in *Wilkerson* v. *McCarthy*, 336 U. S. 53, 69 S. Ct. 413, 420, it is imperative that these questions be resolved. Lower courts are in total disagreement as to the construction to be given to the recently enacted basic statute prescribing the law of commercial identity.

It is recognized that under the decision in the *Wilkerson* case the importance of the outcome merely to the parties is not enough to warrant consideration by this Court, but

it is submitted that in these times of intense commercial and economic evolution, the clarification of the issues presented above is of profound "importance to the operation of our federal system."

Respectfully submitted,

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APPENDIX.

UNITED STATES COURT OF APPEALS,
For the Second Circuit.

No. 103 October Term, 1948.
(Submitted February 7, 1949 Decided June 2, 1949.)

Docket No. 21141.

S. C. JOHNSON & SON, INC.,
Appellant,

vs.

JOHN W. JOHNSON, RUPERT H. JOHNSON, et al.,
Appellees.

Before: L. HAND, SWAN and CLARK, *Circuit Judges.*

Appeal from an order of the District Court for the Western District of New York, denying a motion of the plaintiff for leave to file a supplemental complaint.

William T. Woodson, for the appellant.
Edwin T. Bean, for the appellees.

L. HAND, *Circuit Judge:*

The plaintiff's motion made on May 20, 1948, from whose denial this appeal has been taken, was a sequel to our decision in 1940* and to the steps taken under it. We

* 116 Fed. (2) 427.

then declared—as the only relief to which the plaintiff was entitled—that the defendant must add "in immediate juxtaposition" to the words, "Johnson's Cleaner," the suffix, "made by Johnson Products Company, Buffalo, N. Y." We refused to forbid him the use of his name, "Johnson," as the district judge had done, although we agreed that that use had "caused confusion among the plaintiff's customers." The judgment of the District Court was entered on our mandate on April 21, 1941, and the defendant adopted a new label in which the words: "Johnson's Cleaner," printed in blue ink at the top, are immediately followed around the bottom by the legend: "Made by Johnson Products Company, Buffalo, N. Y.," printed in letters of red ink of the same size. The supplemental complaint alleged these facts and added that the original defendant, John W. Johnson, had turned over the business to a firm of five partners consisting of himself and four others, of whom only one was named Johnson. It alleged that this firm was doing business under the old name, "Johnson Products Company"; that the changed label did not conform to the decree; that the defendants' use of the name, "Johnson's," was "likely to and does cause confusion or mistake, and deceive purchasers as to the source of origin of defendants' product"; and that the only "effective protection that can be given to the public against confusion, mistake and deceit" was to prevent altogether the use by the defendants of the word, "Johnson's," as a brand or trade-mark. The plaintiff urges four reasons why it should be allowed to file this supplemental pleading: (1) that the label does not conform to the judgment; (2) that the original injunction did not give the plaintiff adequate relief or protect the public; (3) that the original defendant had taken in the four new partners; and (4) that the Lanham Act* has since been passed.

* Sections 1051-1127, Title 15, U. S. C.

We agree that the judge had jurisdiction at any time to entertain a motion to modify the injunction;** and it is not necessary to decide whether it was necessary as a preliminary for him to ask leave of this court because of our decision on the former appeal. The cause is now before us, and it would be a barren formality to reverse the order, grant leave to the judge to entertain that motion, have him enter a new order, and compel the plaintiff to appeal again. We shall therefore at once proceed to the merits. As to the first point, we hold that the new label exactly conforms to the decree. As to the second, we hold that it was irrelevant under the Act of 1905 that the suffix has not prevented all mistake and confusion. Upon this we have nothing to add to what we said before, when we very deliberately assumed that the public might still be confused after the prescribed change had been made. As to the third point, we hold that it makes no difference that the original defendant has now associated himself with four partners, three of whom do not bear his name. The business has continued under its original name and whatever rights it has gained since its origin in 1932, have inured to the benefit of the firm. For many years it has been the law that the old good-will passes with the business.* The motion was a patent effort to procure a reargument after a lapse of seven years, and has not the slightest justification save for the enactment of the Lanham Act in 1946. To this we address ourselves as the only point deserving discussion.

That act did indeed put federal trade-mark law upon a new footing. The Act of 1905 had made the registration of a trade-mark only *prima facie* evidence of ownership,** and the question must be regarded as never finally settled

** *United States* v. *Swift & Company*, 286 U. S. 106. *Dugas* v. *American Surety Co.*, 300 U. S. 414.

* *Kidd* v. *Johnson*, 100 U. S. 617.

** Section 16, 33 St. at L. 728.

whether it created a substantive federal trade-mark law, as distinct from the common-law of the states, or whether it merely gave jurisdiction to the district courts and certain procedural advantages to the owner.* The Lanham Act put an end to any doubts upon that score, and to the confused condition in which those doubts involved the whole subject, especially after *Erie Railroad Company* v. *Tompkins*.** These were fully discussed by Judge Wyzanski in his opinion in *National Fruit Products Co.* v. *Dwinnell-Wright Co.*† but they ceased to be important after Congress provided that any infringer should "be liable to a civil action by the registrant for any or all the remedies hereinafter provided";†† and that the registration certificate once become "incontestable" after five years,††† should, with certain exceptions not here relevant, be conclusive evidence of the registrants' exclusive right to use it.†††† This conclusion is confirmed, if confirmation is necessary, by the report of the Senate Committee, of which we quote a portion in the margin.††††† Nevertheless, although it is no longer open to doubt that the present act created rights uniform throughout the

* *Pecheur Lozenge Co.* v. *National Candy Co., Inc.*, 314 U. S. 603; 315 U. S. 666.

** 304 U. S. 64.

† 47 Fed. Supp. 499.

†† Section 1114, Title 15, U. S. C.

††† Section 1065, Title 15, U. S. C.

†††† Section 1115 (b), Title 15, U. S. C.

††††† "It would seem as if national legislation along national lines securing to the owners of trade-marks in interstate commerce definite rights should be enacted and should be enacted now.

"There can be no doubt under the recent decisions of the Supreme Court of the constitutionality of a national act giving substantive as distinguished from merely procedural rights in trade-marks in commerce * * * and * * * a sound public policy requires that trade-marks should receive nationally the greatest protection that can be given them." (U. S. Code Congressional Service, 79th Congress, Second Session, 1946, p. 1277.)

Union, in the interpretation of which we are not limited by local law, it does not follow that, in determining what these are, we are not to be guided by the existing common-law, especially in regard to issues as to which that law was well settled in 1946. In the case at bar the issue is of the meaning of the following language: "any person who shall in commerce (a) use * * * any reproduction * * * of any registered mark," which "use is likely to cause confusion or mistake or deceive purchasers as to the source or origin" of the goods on which the owner has used it, shall be liable to civil action. The parallel section of the Act of 1905* beginning at its second sentence was practically the same, except that it subjected to civil action only those who should "affix" the registered mark "to merchandise of substantially the same descriptive properties as those set forth in the registration." Clearly a change, and a most substantial change, was intended, and the question is what that was.

The law of trade-marks, which is in any event only a part of the law of unfair competition,** was originally designed to protect the mark's owner from the diversion of customers who would otherwise have bought of him. By 1905, however, this had been extended by making the mark in some situations cover goods on which the owner had never used it. So far as we have been able to find, the following are the only decisions in which federal courts had done so. In *Carroll* v. *Ertheiler*,† Judge Butler allowed the manufacturer of smoking tobacco to enjoin the use of his mark on cigarettes which he had never made. In *Collins Co.* v. *Oliver Ames & Sons Corp.*,†† Justice Blatchford extended the protection of a mark used on metal picks and hoes and other digging instru-

* Section 16, 33 St. L. at L.

** *Hanover Milling Co.* v. *Metcalf*, 240 U. S. 403.

† 1 Fed. Rep. 688 (1880).

†† 18 Fed. Rep. 561 (1892).

ments, to metal shovels which the owner had never made. In *Celluloid Manufacturing Co.* v. *Read*,* Judge Shipman, on the other hand, dismissed the plaintiff's bill, seeking to enjoin the defendant's use of the word, "Celluloid," upon laundry starch, because starch was remote from anything which the plaintiff sold. In *Godillot* v. *American Grocery Co.*,** Judge Acheson held a mark used upon general groceries to include coffee and cigars which the plaintiff had never sold. It will be observed that in all these cases the sales held to infringe were of goods which were "substantially of the same descriptive properties as those set forth in the registration"; and that on the occasion when that was not true, the owner of the mark failed. It seems safe to infer that, when the Act of 1905 used the language we have quoted it intended any rights which it conferred to be coextensive with those which the law of unfair competition recognized, so far as it had developed up to that time.

By 1917 the English courts in a number of decisions, not necessary to consider, had meanwhile extended the cover of a mark or of a make-up considerably further than any of the cases we have cited, or than our own intervening decisions, such as *Florence Manufacturing Co.* v. *Dowd*,† and *British American Tobacco Company* v. *British American Cigar Stores Co.*;†† and they had developed a rationale of the interests to be protected which was more definite than anything in our own books. In *Aunt Jemima Mills* v. *Rigney*,††† we adopted this reasoning in a case where the infringing goods were syrup and the mark was for pancake flour; that has become the leading case in this coun-

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* 47 Fed. Rep. 712 (1891).
** 71 Fed. Rep. 873 (1895).
† 178 Fed. Rep. 73.
†† 211 Fed. Rep. 933.
††† 247 Fed. Rep. 407.

try for the now well-established extension of the law of unfair competition in such situations.*

Thereafter the question several times arose whether this doctrine was within the terms of the Act of 1905; that is, whether "substantially of the same descriptive properties" referred to the physical character of the goods to which the protection of the mark alone extended, or whether it also covered any of which the owner of the mark might be supposed to be the source. We twice at least strongly intimated that it meant the second, although we recognized that this did some violence to the literal meaning of the words;** but the weight of authority was the other way,† and in 1946 it was at best most uncertain whether the Act of 1905 went beyond the law of unfair competition in 1905. It is quite enough to explain the change of diction in the Lanham Act that Congress wished to do no more than clear up this doubt—if indeed it was not more than a doubt—and make the protection of the new right coextensive with the law of unfair competition as it was in 1946, just as the Act of 1905 had made it coextensive with the law of 1905. Besides, not only is this a sufficient reason for the change, but there is the strongest possible reason for not reading the language literally, because to do so would frequently result in great hardship to others, and give to the first user of a mark a wholly unjustified power to preempt new markets.

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* Restatement of Torts, Section 730, 731.

** *Yale Electric Corp.* v. *Robertson*, 26 Fed. (2) 972.
L. E. Waterman Co. v. *Gordon*, 72 Fed. (2) 272.

† *Atlas M'f'g. Co.* v. *Street & Smith*, 204 Fed. Rep. 398 (C. A. 8).
Rosenberg Bros. & Co. v. *Elliott*, 7 Fed. (2) 962 (C. A. 3).
Beechnut Packing Co. v. *P. Lorillard*, 7 Fed. (2d) 969 (C. A. 3).
Walgreen Drug Stores v. *Obear Nestor Glass Co.*, 113 Fed. (2) 956 (C. A. 8).
Bulova Watch Co. v. *Stolzberg*, 69 Fed. Supp. 543.
Triangle Publications, Inc. v. *Rohrich*, 73 Fed. Supp. 74.

The "Aunt Jemima Doctrine," as we may for brevity call it, needs to be indeed carefully circumscribed. It recognizes two, but only two, interests on which the owner can stand: (1) the possibility that the trade practices of the second user may stain the owner's reputation in the minds of his customers; and (2) the possibility that at some time in the future he may wish to extend his business into that market which the second user has begun to exploit. These are legitimate interests and they are properly weighed against the second user's interests; but it is far from true that the mere fact of confusion between the two users should always and of itself tip the scales in favor of the first. In *Emerson Electric Manufacturing Co.* v. *Emerson Radio & P. Corporation** and *Dwinnel-Wright Company* v. *White House Milk Company, Inc.*,** we tried to show how the power of a first user to establish such a premonitory lien upon a future market might lead to great injustice.† In deciding such "interstitial" issues, which legislatures at times wisely leave to them, courts are obliged to take over their function *pro hac vice* and to decide which of the conflicting interests they think should prevail. The case at bar is an admirable example of how unfairly a literal enforcement of the language of the new act may operate. The plaintiff does not sell cleaning fluid; it makes waxes and other polishes, and the defendants cannot possibly turn away from it any customers who would buy these instead of cleaning fluids. When John W. Johnson began business in 1932 he did so under his own name—the customary and innocent identification of his goods with himself. After three years the plaintiff

* 105 Fed. (2) 910.

** 132 Fed. (2) 822.

† See also *Arrow Distilleries* v. *Globe Brewing Co.*, 117 Fed. (2) 347 (C. A. 4).
Durable Toy & Novelty Corp. v. *J. Cheim Co.*, 133 Fed. (2) 853 (C. A. 2).

tried to stop his use, and it was unsuccessful in 1941; not, as we then said, because no confusion had developed, for some had, and was probably to some degree inevitable; but because we held that the resulting prejudice to the plaintiff did not counterbalance Johnson's interest in doing business under his own name. After a lapse of five years—in 1946—the Lanham Act was passed, and, if the plaintiff is right, it has destroyed the assurance, which our decision gave to Johnson and his present associates, that the goodwill they built up in the name of "Johnson" they would be allowed to enjoy. True, nobody likes to have his reputation subject to the hazards of another's conduct; but there is no suggestion that in fact the defendants have tarnished the plaintiff's name in the minds of those who may think they are buying its goods. Again, although the plaintiff may at some future time wish to make cleaning fluids, it does not now even intimate such a purpose. We cannot conceive any justification in these circumstances for allowing it to reach a choking hand into a market not its own, and to deprive the defendants of an interest, natural and proper in its origin, and after sixteen years presumably an important element in their business. If Congress really meant to allow every first user of a mark so to stifle all excursions into adjacent markets upon showing no more than that confusion would result, it seems to us that it would have said so more clearly. In the case of fabricated marks which have no significance, save as they denote a single source or origin of the goods to which they are attached, the first user's right may indeed go so far. The second user can then show no interest of his own; and if, as will then appear, his only purpose is to trade on the first user's good-will, it is indeed time to intervene. That situation is polar to this, and we do not believe that both have been swept into a common condemnation by the language used to create the new federal right.

Order affirmed.

CLARK, *Circuit Judge* (dissenting):

In its affirmance of the summary dismissal of the plaintiff's application the court has taken a long step in the interpretation and limitation of the new Lanham Trade Mark Act; in effect it has cut this Act so extensively heralded by sponsoring groups down to a size consistent with the court's conceptions of public policy. While I regard these conceptions highly, I am troubled by the fact that the Act is rather clearly the expression of contrary views vigorously held by persons and groups who were able to exercise a persuasive influence in the halls of Congress during its long period of germination. That other interests, those of consumers, for example, may have been more imperfectly represented there does not seem to me to lessen our problem, for we must take the legislative process as we find it, not as we wish it might be. The question seems to me, therefore, a vastly important one as to the relations of court and legislature; and I am indeed sorry that it is left with only a statement of the court's policy views as full justification for the narrowing interpretation. For some time I have been urging my colleagues to a consideration of the impact of the new legislation;[1] but I must confess now to a feeling of frustration that discussion, when had, is thus limited.

It may be that when a court feels a responsibility to curtail the possible scope of undesirable legislation, the best thing it can do is to rest its case straightforwardly on policy grounds without getting involved in the views expressed by the legislative proponents. Even if we concede as much, I still think it extremely desirable to await the full telling of the story, rather than to bar the way summarily at the

1. As in *Best & Co.* v. *Miller*, 2 Cir., 167 F. 2d 374, 378, and see also *California Apparel Creators* v. *Wieder of California*, 2 Cir., 162 F. 2d 893, 900, 901, 174 A. L. R. 481, certiorari denied 332 U. S. 816, and *LaTouraine Coffee Co.* v. *Lorraine Coffee Co.*, 2 Cir., 157 F. 2d 115, 118, 119, certiorari denied 329 U. S. 771.

beginning.[2] As it stands, it must be assumed that the new legislation affords no relief, though all the allegations of the plaintiff be accepted in full.[3] This is a pretty extensive position and may well be unnecessary; a hearing of the facts might show that the plaintiff had a somewhat exaggerated view of its own grievances. And if they are true as stated, it still is not clear but that some additional remedies, perhaps not as much as are asked for, might be devised which would make a better adjustment of the troublesome situation between these parties.[4] Whatever may be the law, we cannot be very happy at a decree which, on the plaintiff's allegations, has proven completely stultifying in that it takes away with one breath what it appears to grant by way of relief on another. Summary disposi-

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2. See L. Hand, *J.*, dissenting in *California Apparel Creators* v. *Wieder of California*, *supra*. The fact that I think this is an inappropriate case for a summary judgment does not, however, signify disapproval of the salutary principle of the rule itself, F. R. 56—as distinguished from some of the restrictive judicial glosses put upon it. See my article in 15 Brooklyn L. Rev. 1, 9, also 48 Col. L. Rev. 780; 45 Col. L. Rev. 964; 61 Harv. L. Rev. 375; 55 Yale L. J. 810; 34 A. B. A. J. 187.

3. Thus plaintiff desired to introduce evidence of an extensive survey showing the widespread acceptance by housewives of plaintiff as the producer of defendants' product, notwithstanding the operation of the injunction previously entered herein.

4. The defendants' label, which is here fully approved, does appear to be quite similar to the plaintiff's; it would not seem out of the way now to order changes which would tend to compel dissimilarity. Among points which might be considered are the similar yellow background (not directly touched upon in the injunction), the emphasis here permitted the defendants to emphasize a company, "Johnson Products Company," as is the plaintiff, rather than a collection of individuals, as are the defendants, and the substantial nonreadability of the location, "Bufalo, N. Y.," by reason of its position in the oval lettering on the right side reading from the bottom up on the label.

tion of the case is a repudiation of any attempt to find a real or workable remedy for an adjudicated wrong.[5]

Since I am in very real doubt as to how strict should be the interpretation of the new Act, I shall not try here to advance a definitive interpretation in contrast with that stated in the opinion, but only to suggest the questions which arise in my mind. As is pointed out, the Lanham Act certainly made extensive and far-reaching changes in the law of trademarks as a whole, some of which are cited. In this particular connection it substituted for the definitely restrictive language of the older Act limiting infringing sales to those of goods which were "substantially of the same descriptive properties as those set forth in the registration" a broad recovery for a use "likely to cause confusion or mistake or to deceive purchasers as to the source or origin of such goods or services." 15 U. S. C. A. Section 1114(1). These broadening provisions, twice stated in this subsection, seem quite consistently carried out through the Act.[6] Having in mind the well-known intent of the sponsors to broaden trade-mark protection, they would seem to point strongly to a definite plan to grant

5. Thus, in accepting the finding below of confusion among the plaintiff's customers caused by the defendant's use of the name we said: "We should have so found ourselves; and indeed the testimony leaves no doubt that, while he did not actively instigate his employees to mislead customers, the defendant instructed them not to undeceive any who were already misled and to take advantage of their confusion." (116 F. 2d 427, 429.)

6. Thus, see, *inter alia*, the provisions as to registerable trademarks, 15 U. S. C. A. Section 1052(d) (denying registration to a mark so resembling a registered mark "as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers"—a provision which needs to be read in its entirety for its full impact); Section 1064(c) (cancellation of registration); Section 1066 (interference); Section 1115(b) (the defense of invalidity of the mark); the intent of the Act stated in Section 1127; and the broad action for false description or representation of goods generally given in Section 1125(a), referred to in *California Apparel Creators* v. *Wieder of California*. *supra*, 162 F. 2d 893, at pp. 900, 901, footnote 12.

recovery wherever a mark is "intended to be used to cause confusion or mistake or to deceive purchasers," to quote the concluding words of the subsection. In fact, it appears to be substantially conceded that the literal reading is that way; but it is held that this reading must be rejected for two reasons. The first, which is little stressed, is not overclear to me; it seems to be that just as the 1905 Act was designed to bring the law up to that date, so this 1946 Act is designed to bring the law up to the 1946 date. But unfortunately there does not appear to be a quite clear law of 1946, as I fear those who have struggled with our decisions such as *Triangle Publications* v. *Rohrlich*, 2 Cir., 167 F. 2d 969, compared with *Best & Co.* v. *Miller*, 2 Cir., 167 F. 2d 374, certiorari denied 335 U. S. 818, will understand. Moreover, this assumes what is set out to be proven and what is contrary to the professed desire of the protagonists, namely, that the Act was intended only as declaratory of existing law. The argument which is really stressed, however—"the strongest possible reason for not reading the language literally"—is the argument of policy already forecast in certain previously existing authorities.[7]

7. It should be noted, however, that there is strong authority for what is called the "federal" rule or is "popularly known as the Hand Doctrine" from its original impulse in the Second Circuit (cf. *Lunsford*, op. cit. *infra*, 35 Va. L. Rev. 214, 217) that relief will be granted as between noncompeting goods if there is confusion as to the source. Thus see, *e. g.*, *Standard Brands* v. *Smidler*, 2 Cir., 151 F. 2d 34, the analysis by Judge Yankwich in *Sunbeam Corp.* v. *Sunbeam Lighting Co.*, D. C. S. D. Cal., 83 F. Supp. 429, of Ninth Circuit cases, including *Stork Restaurant* v. *Sahati*, 9 Cir., 166 F. 2d 348, the effect given by Judge Wyzanski to the new Massachusetts statute, Stat. 1947, c. 307, in *Food Fair Stores* v. *Food Fair*, D. C. Mass., 83. Supp. 445, and the extensive collection of cases in the annotation to *Lady Esther, Ltd.* v. *Lady Esther Corset Shoppe*, 317 Ill. App. 451, 46 N. E. 2d 165, 148 A. L. R. 6, at 12, 36-39, 48, 53-92. And this appears to be the view of a great many commentators; thus, in addition to the articles hereinafter cited, see the authoritative statement in 3 Restatement, Torts, Sections 730, 731, 1938. Some commentators speak specifically of the Act as a codification of this rule of law. 2 Wyo. L. Rev. 66; 26 N. C. L. Rev. 424. For the view that the recent trend

Even though the policy stated, the hardship to others and the unjustified power given the first user of a mark to preempt new markets, is compelling, yet there are countervailing arguments which have appealed to many. This is not a monopoly of a natural product or of an invention, but of a name or mark built up by judicious advertising. The question is insistently asked why in that case it is necessary to permit another to reap the rewards of the diligence and money expended by the original exploiter. Here, for example, it is urged, and any devotee of the radio knows, that one of the most famous and presumably one of the most expensive of the popular evening radio hours has for years advertised the plaintiff's products. Yoder, *The McGees of Wistful Vista,* 222 Sat. Eve. Post No. 41, pp. 26, 86, 87, Apr. 9, 1949. One can have little doubt that, as the plaintiff offers to prove, the original defendant, who has already associated with himself four others, one a Johnson, the three others non-Johnsons, is reaping the benefit of the plaintiff's advertising of its own products. The literature heralding and explaining the new Act—coming, it must be conceded, mainly from those favoring the legislation—is already vast and has gone over into nonlegal publications.[8] Criticism of restrictive inter-

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of cases (prior to the Act) has been to restrict the doctrine, see Zlinkoff, Monopoly Versus Competition: Significant Trends in Patent, Anti-Trust, Trade-Mark, and Unfair Competition Suits, 53 Yale L. J. 514, 538, 541, and Brown, op. cit, *infra,* 57 Yale L. J. 1165, at 1193. So which view, if either, does the new Act codify?

8. I have cited some of these references in the cases in note 1, *supra.* See also the discussion in the February, 1949, issue of Fortune, vol. 39, p. 147. Thus Miss Dahpne Robert, author of The New Trade-Mark Manual, stresses the change in wording from the former Act which is here so important and goes on to say flatly of the new Act: "The goods or services need not be identical or even remotely related. If it is shown that purchasers are likely to be misled by the mark into thinking that the same concern is selling, offering for sale or advertising the goods or services of both parties, relief will be granted." Commentary on The Lanham Trade-Mark Act, 15 U. S. C. A. p. 265, at 286 (compare Brown, Book Review, 58 Yale L. J. 511, 512). This is the view she takes

pretation of the statute has also begun. Thus the well-known case of *California Fruit Growers Exchange* v. *Sunkist Baking Co.*, 7 Cir., 166 F. 2d 971, requiring a showing of competitive practices, has been the subject of extensive criticism.[9] Lunsford, *Trade Mark Infringement and Confusion of Source: Need for Supreme Court Action*, 35 Va. L. Rev. 214; Callmann, 38 Trade Mark Rep. 304, 308; Note, 48 Col. L. Rev. 648; and see also Callmann, *False Advertising As A Competitive Tort*, 48 Col. L. Rev. 876; 17 Geo. Wash. L. Rev. 112; 29 B. U. L. Rev. 137; 26 N. C. L. Rev. 424; and 22 Temp. L. Q. 301 as to other decisions. Of course in this field we touch at once issues of the most highly controversial nature. Thus a different philosophy (though without discussion of the effect of the new Act) is ably present in Brown, *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 Yale L. J. 1165; and see also Zlinkoff, *supra* note 7. I cite these authorities not to express agreement now with any of them, but rather to lend point to my belief that sooner or later we shall have to accord a more full-dressed hearing to proponents of this legislation than we have yet been willing to do.

I must also express a word of concern about a point of practice, suggested somewhat indirectly in the opinion, that there may be some need of permission from this

in her Manual, pp. 162, 163, and is of course not unusual among trademark lawyers, *e. g.*, Callmann, The "Sunkist" Decision: Trade Marks at the Crossroads, 38 Trade Mark Rep. 304, 308; also references in note 7, *supra*, and in the text, *infra*.

9. But the court there said "the words 'the same general class of merchandise' and 'goods of substantially the same descriptive properties' are facts essential to infringement under the 1905 Act, and not under the Lanham Act." Its actual decision is thus explained: "In any view of this case, the record is wholly devoid of any finding, or substantial evidence to support a finding, of a likelihood of confusion as to the source of origin, as required to constitute infringement under the Lanham Act." 166 F. 2d 971, 973, 975. Hence it is not in point as to the present case in view of the clear finding *supra* note 5.

court for the filing of the new application by the plaintiff. Under the clear-cut provisions of the Federal Rules there seems to me such a complete absence of place for any such restriction that I regret the judicial doubt thus imported into an otherwise clear situation. Perhaps question has arisen because permission was sought below under F. R. 15(d), and this seemed like seeking to amend a pleading in a case in the appellate court; though even here the functions of the appellate court seem properly limited to the judicial review of the judgment itself. See *Market* v. *Swift & Co.*, 2 Cir., 173 F. 2d 517. But since the case is in judgment, the obvious and necessary course is under F. R. 60(b), which in its presently amended form gives a complete scheme for relief. *Klapprott* v. *United States*, 335 U. S. 601. Not only does this not call for appellate permission when a case has been affirmed on appeal, but it is obvious that such permission is an unnecessary and undesirable clog on the proceedings. An appellate court cannot act understandingly under F. R. 60(b) without the necessary record which the proceedings in the trial court must supply.[10] To expect it to grant or withhold permission in advance is a futility and an obstruction. The rules themselves quite carefully show when, if ever, appellate permission is to be sought. See F. R. 60(a) as amended, and compare also amended F. R. 73(a) and 75(h).

I would reverse and remand for a hearing of the parties' evidence.

10. Note also the precise provisions of F. R. 60(b) that a motion thereunder "does not affect the finality of a judgment or suspend its operation," thus rounding out the special and separate character of the proceeding, as therein fully described.